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PERS 78-37162

78-5235-12
22 NOV 1978

MEMORANDUM FOR: Deputy Director for Operations
Deputy Director for Science & Technology
Deputy Director for Administration
Deputy Director for National Foreign Assessment
Chairman, Executive Career Service
Director of Personnel

FROM: Deputy Director of Central Intelligence

SUBJECT: Fitness Reports

Attached for your review and comment is a DCI suggested revision of the CIA Fitness Report. I would like to have your views on this suggested revision by December 4th.

I would also like to take this opportunity to thank you for your responses to the various personnel management issues resulting from the September 1978 [redacted] STAT Retreat. I am reviewing your papers and will also make them available to the NAPA Personnel Management team to consider as part of their study

Frank C. Carlucci

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Approved For Internal Use Only

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Executive Registry

4 DEC 1978

78-5235/3

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : John N. McMahon
Deputy Director for Operations

SUBJECT : Fitness Reports

REFERENCE : DDCI Memorandum (ER 78-5235/2), dated
22 November 1978, same Subject

1. The fitness report format transmitted with the Reference was reviewed and discussed with a representative sampling of the component chiefs in the Operations Directorate. Their replies add up to the single conclusion that the suggested change in the format would not be helpful to our shared goal of improving the fitness report writing so as to provide a more reliable and objective basis for the evaluation of personnel.

2. The format and the preparation of fitness reports have been subjects of continuing debate and changes in the Agency. There have been several major revisions of format over the years, but the perfect solution, if there is one, has continued to elude us. More recently, as a result of an EAG meeting on 17 February 1977, a task force under the Office of Personnel was formed to conduct an in-depth review of the Agency's current personnel evaluation system. This review took nearly one year and the resulting recommendations were sent with the components' comments last spring. Subsequently, a revised format was developed and submitted to the DCI.

3. In the opinion of our most experienced managers, the fundamental improvements desired in our performance

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evaluation practices cannot be achieved by tinkering with the format of the report or its terminology. The root cause of the problem is not the format but our apparent inability to force supervisors and reviewing officers to be realistic, accurate and frank in describing the quality of the individuals' performance and achievements. The consequences have been a run-away inflation in "Strong" and "Outstanding" ratings, and verbose narrative comments, with many supervisors excelling in their ability to say little in many words.

4. The proposed format would not cure the existing ills and would introduce some new ones. That is not to say that it is without merit. It would be relatively easy to prepare and to comprehend. It lends itself to automated processing, which might appeal to some but which, we fear, would eventually result in yet another soulless point system which would be unable to distinguish between the peculiarities of the various types of assignments and the people required for them.

5. More specifically, we submit the following comments on the proposed new format:

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DD/A Registry

78-4414/4

Executive Registry

78-5335/4

MEMORANDUM FOR: Deputy Director of Central Intelligence
THROUGH : Deputy Director for Administration
FROM : F. W. M. Janney
Director of Personnel
SUBJECT : Fitness Reports
REFERENCE : DDCI memo of 22 Nov 78, same subj.

1. Action Requested: None. The following is in response to reference request for comments on a proposed Fitness Report format forwarded with reference.

2. Background: Before commenting on the proposed form, we would like to note the basis for the recently completed review of the Agency's Fitness Report system. In considering any modification or change to a system, it is first necessary to address the perceptions of the inadequacies of any existing system, and then develop the facts confirming or eliminating the perceptions, e.g., determine exactly what the facts are in a given situation.

In this context, a Performance Evaluation Task Force was organized in February 1977, with representatives from each Career Service, to study the fitness reports and the related evaluations. The report of the Task Force was submitted to you 3 May 1978. The study and recommendations are based on research in the Agency and a study of performance evaluation systems in eight Government agencies and approximately 50 corporations in the private sector. In the course of the Task Force's study consideration was given to the advantage of different Fitness Reports for different functions (managers, supervisors, analysts, clericals). It was determined, however, that a common, uniform report best met the needs of the Agency and its employees, one specifically designed to be flexible enough to be applied Agency-wide. A second conclusion was that the system should provide for

a clear relationship between on-the-job performance and comparative ranking.

3. Comments: The attached revision of the Fitness Report poses significant problems of both a philosophical and practical nature. Several general points are worth noting. The form as proposed is oriented to supervisory and managerial positions and appropriate for only about 25% of the Agency population. Trying to adapt it for non-managers would require either multiple systems or that a number of points be designated "not observed" or "not applicable". The latter would tend to create a negative impression of the employee which would be unrelated to actual performance. Even among managers, several of the points may be irrelevant to the requirements of the job; to rate them "not applicable" again creates a negative impression. The proposed form also lacks elements for rating specific duties which would make the current panel system task for comparing peers engaged in similar work virtually impossible. It would be a serious problem, particularly in gaining objectivity or specificity, to compare peer groups on the basis of skills, traits, and aspects of performance without the framework of the specific duties to which these are applied.

Several specific items warrant comment:

- Rating trend of performance is already reflected in the successive Fitness Reports contained in the Official Personnel File. To rate the trend in any one report necessarily limits the review of performance and potential to the report at hand.

- The Fitness Report should not be the vehicle for a promotion recommendation. A positive or negative response to this item could affect motivation, particularly if the recommendation does not result in a promotion.

- The summary of the rater's record will in most cases be too small to reflect the record accurately. If redefined to include all reports prepared by the rater, regardless of grade, the trend may be more meaningful, but it is questionable that such information is properly included on the evaluation of the individual employee inasmuch as it constitutes comment on the rater, not the ratee.

- There are no instructions for rating the security aspects of an individual's performance nor is there a requirement for review by the next level in the chain of command. Both of these are current requirements and, we feel, fully justified. A review level is a basic element in all serious evaluation programs.

- It appears that analytical ability is being rated twice, under skills and personal traits.

- We have not addressed the proposal that the "reporting senior" narrative be handwritten. While the notes request "legible", it is questionable if this could be guaranteed.

In general, "conventional" rating systems, e.g., check systems such as this, have proved to create biased assessment by a rater who tends to be overly lenient or overly strict, or who is deliberately trying to affect a subordinate's competitive position due to non-job-related factors. Further, conventional ratings tend to emphasize personality traits rather than performance behavior. There is considerable risk involved in rating behavioral characteristics unless it can be proved beyond any doubt that each characteristic is job-related. (This particular aspect of evaluation is of serious concern to EEOC.) It should be noted the Agency has had experience with check system evaluations; various versions were in use until about 1962, but examination of the results over the period of their use proved them to be unsatisfactory for the purpose of on-the-job performance evaluation. Because, however, there are categories of employees for whom there may be identified characteristics of concern in evaluation, the Task Force suggested that Career Services might elect to attach a supplemental sheet to the Fitness Report for specifically identified categories of personnel (e.g. supervisors at certain grades or functional specialists).

4. In summary, the basic question seems to be what should be rated? The aspects, skills, and traits are all thought-provoking and deserving of comment, where relevant, but only in the context of duties performed. The performance of the duties specific to each employee, regardless of level or discipline, should be the basis for the rating, with appropriate aspects, skills, and traits contributing to the final evaluation.

(Signed) F. W. M. Janney

F. W. M. Janney

Attachment

Distribution:

Orig & 1 - Addressee
1 - Executive Registry
2 - DDA
2 - D/Pers (1 for DDCI File)
1 - OP/IMES

(4Dec78)

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118-5235/51

DD/A 78-4414/2

REC
4 1978

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Fitness Reports

REFERENCE : Memo frm DDCI to DD/O, DD/S&T, DD/A, DD/NFAC,
Chmn E Career Ser & D/Pers, dtd 22 Nov 78,
Same Subj.

1. DDA management has thoroughly reviewed the DCI suggested revision of the CIA Fitness Report. Each of our Sub-groups reviewed the proposed form and their comments are attached.

2. We definitely support the continuing objective of improving employee performance appraisals. However, we support our earlier suggestion that introduction of any new format concerning performance appraisal be withheld pending completion of the consultant review of the Agency personnel system. Perhaps the entire package dealing with the evolution of a new employee appraisal system, i.e. the task force report, the DDCI suggested revision, the DCI suggested revision, and all Directorate comments applicable to each, should be made available to the consultant team for review and advice as to their view of the best alternative.

3. Generally, we favor the adoption of a short, unencumbered, uncomplicated Fitness Report format. The DCI-suggested revision is a good step in that direction. Nevertheless, we perceive several areas of concern with the proposed format. Our comments are keyed to specific sections of the Fitness Report proposal.

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4. In summary, the Directorate of Administration feels that the DCI-suggested Fitness Report revision definitely has some merit. We also believe it contains many problem areas and inconsistencies but none which cannot be resolved.

/s/ Michael A. Blairick

John F. Blake

Attachments

Distribution:

Orig - Addse
1 - DDA subj w/cpy of att
1 - DDA chrono
1 - JFB chrono
 DDA/CMD w/cpy of att

ER

Executive Registry
78-5235/6

5 DEC 1978

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : Sayre Stevens
Deputy Director, National Foreign Assessment Center

SUBJECT : Fitness Reports

REFERENCE : Memo from DDCI to Deputy Director, dtd 22 Nov 78,
same subject

1. The proposed fitness report by the DCI represents a sharp deviation from the intent of the current one, including proposed revisions now under consideration, and NFAC management does not consider this new proposal to be as effective as the evaluation system we now have for several reasons. Under our present system, we have a means to list in order of importance the major duties of the employee and to rate the level of performance for each duty; provision is made for rating the employee's overall performance and effectiveness; and ample space is provided for the rater to elaborate on the performance of specific duties, significant accomplishments, overall productivity, identification of areas where performance improvement is needed, and suggestions for future useful assignments and training. Moreover, unlike the current system, the proposal does not provide opportunity for a reviewing official to comment on the rater's evaluation or for the employee to write a dissent on or an addition to the evaluation, both of which are generally viewed by employees and managers as valuable information.

2. Another major concern we have is that the proposed fitness report cannot be used for all Agency personnel. As constructed, it does not apply to clerical and technical employees, and it has a bias toward performance evaluation of line supervisors, who are greatly outnumbered by employees in non-supervisory positions. NFAC analysts without supervisory responsibilities, for example, would have so many "not applicable" entries on the form that there would be few specifics to evaluate.

3. Sections D and E under "Mission Contribution" are best left to a ranking panel which collectively has a broader perspective.

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Mission contribution

should be a broader concept than a single supervisor can decide. Also, to indicate on an individual's fitness report how his or her several colleagues have been graded violates their rights to privacy in personnel matters. Finally, a recommendation for promotion should not be a part of a fitness report. This is a matter that should be considered only by management, with input from the supervisor, of course. For a supervisor to make such a recommendation on the fitness report will lead to many high expectations and great disappointments.

4. Our somewhat negative reactions to the DCI's proposal are not intended to suggest we do not need change in the current performance appraisal system. NFAC endorsement of virtually all the recommendations for adjustment made by the Agency's Performance Appraisal Task Force clearly indicates our support for change. The Task Force, we believe, has preserved what has been documented by employees and managers as being very positive aspects, and it has identified those elements that need adjustment. We would hope that those adjustments can be made to the present system.

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Sayre Stevens

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Orig + 1 - Adse
1 - ER
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(4 December 1978)

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